

*City of San José*  
***Coyote Valley Specific Plan***

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**Summary of Task Force Meeting**  
**June 20, 2005**  
**151 West Mission Street, Room 202 A and B**

**Task Force Members Present:**

Co-chair Mayor Ron Gonzales, Co-chair Councilmember Forrest Williams, Supervisor Don Gage, Dan Hancock, Ken Saso, Phaedra Ellis-Lamkins, Chuck Butters, Jim Cunneen, Craige Edgerton, Doreen Morgan, Eric Carruthers, Gladwyn D'Sousa, Helen Chapman, Russ Danielson, Christopher Platten, Steve Schott Jr., Steve Speno, Neil Struthers and Terry Watt.

**Task Force Members Absent:**

None.

**Technical Advisory Committee (TAC) Members Present:**

David Bischoff (City of Morgan Hill), Michele Beasley (Greenbelt Alliance), Dawn Cameron (County Roads), Mike Griffis (County Roads), Melissa Hippard (Sierra Club), Mary Hughes (Habitat for Humanity), Jane Mark (County Parks), Pat Sausedo (NAIOP), Brian Schmidt (Committee for Green Foothills), Mike Tasosa (VTA) and Kerry Williams (Coyote Housing Group).

**City and Other Public Agencies Staff Present:**

Joe Guerra (Mayor's Office – Budget and Policy), Jennifer Malutta (Mayor's Office), Rachael Gibson (Office of Supervisor Don Gage), Keith Stamps (Council District 2), Anthony Drummond (Council District 2), Emily Moody (Council District 2), John Mills (Council District 6), Laurel Prevetti (PBCE), Joe Horwedel (PBCE), Sal Yakubu (PBCE), Darryl Boyd (PBCE), Susan Walsh (PBCE), Mike Mena (PBCE), Sylvia Do (PBCE), Perihan Ozdemir (PBCE), Regina Mancera

(PBCE), Gerry De Guzman (Public Works), Rebecca Flores (Housing), Dave Mitchell (PRNS) and Luke Vong (DOT).

### **Consultants Present:**

Doug Dahlin (Dahlin Group), Roger Shanks (Dahlin Group), Paul Barber (KenKay Associates), Jim Thompson (HMH Engineers), Jim Musbach (EPS), James Edison (EPS), Darin Smith (EPS), Jodi Starbird (David J. Powers and Associates) and Eileen Goodwin (Apex Strategies).

### **Community Members Present:**

Tom Armstrong, Shiloh Ballard, Rosalie Cacitti, Jill Clay Halloran, Roger Costa, Frank Crane, June Crane, Consuelo Crosby, Jo Crosby, Craig Champion, Gail DeSmet, Richard DeSmet, Chris DiSalvo, Andrew Fuller, Denise Glasco, Janet Hebert, Paul Hebert, Liz Hirata, Virginia Holtz, Jonathan Jeisel, Shari Kaplan, Nishi Kant, Pete Khooshabel, Jack Kuzia, Pat Kuzia, John Lattyak, Gretchen Leavitt, Lotta Leihkoinen, Rick Linqvist, Chris Marchese, Dennis Martin, Sarah Muller, Tim Muller, Dana Pesce, Georgene Petri, Kirsten Powell, Ron Pusateri, Ken Pusateri, Peter Rothschild, Annie Saso, Pete Silva and Don Weden.

## **1. Welcome**

The meeting convened at 5:33 p.m. with Co-chair Councilmember Forrest Williams welcoming everyone to the 33<sup>rd</sup> Coyote Valley Specific Plan (CVSP) Task Force meeting.

Councilmember Williams elaborated on the video shown before the meeting commenced. The video was of Peachtree City, Georgia, a community with a 70-mile network of paved recreational paths enjoyed by pedestrians, bicycles and golf carts. He suggested that golf carts could also be used for internal transportation in Coyote Valley to reduce air pollution.

Councilmember Williams explained that the existing General Plan triggers are still in place and will continue to be in place unless the Council decides to change them. The Task Force is determining the right approach to CVSP implementation and will evaluate the implications of the existing triggers.

## **2. Acceptance of May 9, 2005 Task Force Meeting Summary**

Ken Saso made a correction to the statement that the “east side Monterey Road properties have been annexed to the City for over 30 years.” He stated that according to the San Jose City

Clerk's Office, most of these properties have been annexed for 47 years and still do not receive urban services. Councilmember Williams asked staff to make the correction.

Councilmember Williams called for a motion to accept the May 9, 2005 Task Force meeting summary. The motion passed unanimously.

### **3. Acceptance of May 26, 2005 Community Meeting Summary**

Laurel Prevetti, Deputy Director of the Planning, Building and Code Enforcement Department, indicated that the PowerPoint presentation presented at the May 26, 2005 community meeting summary was available in the Task Force meeting handout. She indicated that the consultants reviewed refinements made to the CVSP transit system, connections, schools and the mixed-use intensification of Santa Teresa Boulevard at the community meeting.

Councilmember Williams called for a motion to accept the May 26, 2005 community meeting summary. The motion passed unanimously.

### **4. Continue Discussion of Draft Phasing Objectives and Logistical Requirements**

Mayor Gonzales and Councilmember Williams continued the discussion on the CVSP timing and logistical requirements memorandum previously presented at the May 9, 2005 Task Force meeting. The memorandum provides the Task Force with ideas pertaining to phasing and implementation of the plan. Attachment I of the memorandum includes the Council's Vision and Expected Outcome statements with highlighted text elaborating particular approaches to accomplishing the outcomes. Attachment II is a list of talking points to begin the discussion regarding the timing of development related to the Council's Vision and Expected Outcomes. At the August Task Force meeting, some phasing scenarios and discuss additional plan refinements.

Laurel reviewed the first four items of Attachment II discussed at the last Task Force meeting. She noted that all items are consistent with the Council's Vision and Expected Outcomes.

Item #1: "Prior to issuance of any building permits in each phase, the City's Budget Director must certify that the next phase of development will not increase the burden on General Fund services for current residents and businesses."

- *This item makes certain that revenues are in place to ensure that the City can provide high quality municipal services in Coyote Valley without putting a strain on other areas in San José.*

Item #2: "Development of jobs and housing must occur concurrently at a ratio of two jobs for every housing unit completed (i.e. house #2 may not be delivered until job #2 has already been completed). Development phases could allow large increments of housing to be built only when

simultaneous construction of job-related development at this two-to-one ratio is occurring in parallel.”

- *This item creates a jobs/housing balance and helps Coyote Valley attain the envisioned number of jobs.*

Item #3: “Residential development must provide for the acquisition X acres of South Coyote Greenbelt in fee title or as conservation easements for every acre of residential development with less than 40 dwelling units per acre.”

- *This item supports Greenbelt acquisition and preservation.*

Item #4: Residential development of market-rate and deed-restricted affordable units must be built concurrently at a ratio of four to one. Affordable units, which are counted against this ratio, may not receive City or Redevelopment Agency subsidy.”

- *This item delivers affordable housing.*

The Task Force provided the following questions and comments regarding the next five items (item #5 to item #9) of Attachment II of the memorandum:

Item #5: “Residential development phases must include average densities that are within X of units per acre of the average densities required by the specific plan for the first 30 percent of build out. Thereafter, any density range can proceed.”

- What does Item #5 mean? *Joe Guerra, the Mayor’s Office Budget and Policy Director, explained that this item ensures that the first 30 percent of development would have similar densities to the overall densities.*
- What does “X<sup>2</sup>” mean? *Joe explained that the “<sup>2</sup>” references to a footnote at the bottom of the page.*
- What is the average residential density? *Doug Dahlin, with the Dahlin Group, said that the average residential density would be 18 DU/AC (dwelling units per acre), which resembles dense townhouses. During the first 30 percent of build out, the overall mix of density should get close to 18 DU/AC. After the initial 30 percent, density could be more diverse.*
- Why is it 30 percent? *Mayor Gonzales indicated that 30 percent seemed like an appropriate number and serves as a starting point for discussion.*
- Why is the cut-off at 30 percent? *Indication that the initial phase could be fixed to about 18 DU/AC or more, but all phases should not be tied to an average density. Market demands should be looked at after the first phase. Financial analysis should be done prior to specifying any numbers.*
- Need to identify specific numbers to let future Council know what the Task Force intended.
- Believes that the numbers will get more specific as discussion goes on.
- Indication that 30 percent represents a minimum of 7,500 residential units.
- Will aggregate or individual developers be held to the 30 percent? *Joe explained that it would apply to multiple developers.*
- Does the 30 percent also apply to non-residential development? *Mayor Gonzales responded in the affirmative. The figure applies to the percentage of available land as it relates to jobs.*
- How does this policy achieve the desired development of the Core area around the lake? *Indication that it would be acceptable to exceed the average density in the first phase, particularly for the Core area. In order to support the bonds, however, a variety of densities are needed.*

- The City's objective is to achieve a jobs/housing balance. Need to ensure that the phases are financially feasible and manageable. All issues need to be factored into phasing so that there is continuity between all phases.
- This policy is well conceived and achievable. It would be possible to provide a variety of densities at the initial stage and throughout the Plan as long as it is financially feasible.
- Indication that this policy is heading in the right direction. If you start with high density, you will end with high density.
- This policy allows developers to provide a variety of densities.
- Need higher density in early phases so that transportation infrastructure can be adequately funded. Need to determine the number in the beginning because the choices made now will determine future costs. Maintaining density along transportation/transit infrastructure would help reduce future costs. Need to make sure transportation infrastructure are people and place-friendly.
- Phases after the 30 percent should have a cap on lower density until there is higher density development. *Mayor Gonzales indicated that they should first focus on the initial phase. Indication that it is important to set the right tone for the initial phase. Lower density land would eventually run out and force higher density development. Higher density development has increased overtime and the market has responded respectively.*
- Need to be cautious about going against market demand because the market could go elsewhere. A variety of densities are good. Does not think there should be a cap on lower density development.
- Coyote Valley cannot solve all of the City's problems. Need to look at the overall city.

Item #6: "The only jobs that may be counted for the jobs/housing development ratio include 'driving industry' jobs and 'business-serving industry' jobs as described in the 2003 San José Economic Development Strategy. This would exclude jobs in the fields of retail/consumer services and civic services, such as government, non-profit, utilities, education, etc., from the calculation of the ratio."

- Do the jobs in the 2:1 jobs/housing ratio represent 'driving industry' and 'business-serving industry' jobs? *Mayor Gonzales responded in the affirmative.*
- How many 'non-driving industry' jobs will there be? *Laurel said that in addition to the envisioned 50,000 'driving industry' and 'business-serving jobs', there would be about 5,000 'non-driving industry jobs'. The 5,000 'non-driving industry job's would account for 10 percent of the total number of jobs in Coyote Valley.*
- Will jobs in Coyote Valley compete with those in other areas of the City? *Mayor Gonzales explained that Coyote Valley jobs would compliment, not compete with, jobs in other areas of the City such as downtown, North First Street and Edenvale. The goal is to retain existing companies, while attracting others. Different companies want different environments. Offering a diversity of land opportunities allows the City to have a distinct advantage and compete regionally and nationally. Mayor Gonzales indicated that North First Street and Edenvale would be developed prior to Coyote Valley since infrastructure currently exists in those areas.*

- Different companies have different location and site planning needs and desires. For instance, Adobe is located in downtown, EBay on North First Street, Hitachi in Edenvale and IBM in Coyote Valley. The City needs this type of diversity to promote economic development.
- Does this mean that Coyote Valley development is in the far future? *Mayor Gonzales said that it is difficult to predict what will happen in the future.*
- The Plan has gone a long way to create a mixed-use environment; should not limit the triggers to only certain types of jobs. Need a definition of “jobs” that matches the Plan’s objectives. Square footage could be approved for jobs and housing units, but this does not mean that they are 100 percent occupied.
- Small businesses should also be included in the triggers to help achieve Plan objectives. These businesses can help reverse traffic patterns and create authentic live/work environments. All jobs should count when building mixed-use projects. Recommended including these jobs, rather than micromanaging and complicating this issue. *Joe explained that the City’s General Plan designates North Coyote Valley for campus industrial jobs. The Plan expands allowable land uses and options. Item #7 of Attachment I has an identical direction as to what types of jobs should count in the ratio.*
- The Council should update the General Plan triggers to include all types of jobs.
- Recommended regulating jobs and housing units by square footage. Need a definition of “jobs” that is flexible with the Plan.
- Need to look at employers that bring benefits and prevailing living wages. Should look at the quality of jobs, not the type of industry. It is easier to measure jobs by quality.
- If there is too much retail, we will not achieve a jobs/housing balance. Cities north of San José have a strong industrial base and can provide better services to their community. Coyote Valley needs an industrial base in order be self-sustainable and not a burden on the City. *Mayor Gonzales asked staff to look at the percentages of jobs in other job categories. Certain types of jobs provide support for self-sustainability. Need to see if the jobs have the ability to deliver resources in Coyote Valley and meet objectives of the Plan.*
- Does not want land use and building restrictions to limit who can lease space based on an abstract concept of what constitutes a use. *Mayor Gonzales explained that we are not just building; we are trying to create a unique, self-sustaining community.*

**Item #7:** “Fair-share contributions for all infrastructure through an assessment district, developer turnkey activity, or other mechanisms must be completed using standard City procedures.”

- What does “turn-key activity” mean? *Steve Speno explained that developers could do infrastructure improvements more efficiently than the City. After improvements have been made, developers would turn them over to the City.*
- Will current or future City procedures apply to turnkey facilities? *Mayor Gonzales explained that turnkey facilities would be required to adhere to City procedures that exist at the time of development.*
- The City has had a difficult time with turnkey fees and paying for parks and community centers. Indication that the City cannot do it all alone. *Mayor Gonzales explained that turnkey activities need to meet all standards at the time they apply.*
- Suggested changing “standard City procedures” to “appropriate and approved City procedures.”

Item #8: “Fair-share contributions to an assessment district must be structured so that they are weighed on the basis of acreage, NOT units of square feet produced. The goal is to use land in the most efficient way possible.”

- Does this apply to residential or commercial development? *Mayor Gonzales said that this only applies to residential development.*
- Recommended maximizing density and bond capacity by spreading the burden based on acreage and value.
- How do Items #3 and #8 relate? *Joe Guerra explained that densities below 40 DU/AC contribute to Greenbelt acquisition. Non-residential development does not contribute to Greenbelt acquisition.*
- Will non-residential development pay for Greenbelt acquisition? *Mayor Gonzales responded in the negative. He explained that this would give Coyote Valley competitive advantage to attract workplace users.*
- Indication that the Plan should give relief to affordable housing as well as workplace uses.
- Non-residential development should also contribute to Greenbelt acquisition, but is not sure how much they should contribute; does not want to overburden non-residential development.
- Recommended consulting with the Office of the City Attorney regarding agricultural mitigation.
- Indication that all uses are subject to agricultural mitigation fees in Gilroy, and that they are in a worse competitive position than San José. Fairfield uses Mello-Roos funding for industrial uses based on \$0.12 per square foot. Does not think there are Mello-Roos for retail development in Fairfield. Recommended that staff talk to Fairfield planners about what modest fees can do.
- Suggested checking with Fairfield and Gilroy regarding their mitigation fees.
- Indication that Coyote Valley would not be the only one benefiting from Greenbelt acquisition. Suggested looking at the entire region to determine whom else would benefit.
- This policy is heading in the right direction. Would like to encourage efficient land use and create incentives for higher density development.

Item #9: “Development may occur in ANY increment and in any location as long as it conforms to the Specific Plan’s land use and design guidelines.”

- Why is this policy included? *Joe explained that this item refers to “development of the willing.” This is to prevent property owners from having too much control over who builds what and what should go first.*
- Does this policy imply that infrastructure and utilities should be in place prior to development? *Mayor Gonzales responded in the affirmative.*
- Need to get key infrastructure in early. Need an ambitious first phase, financing and jobs/housing balance. Need to figure out how to get the core elements in early.
- Doesn’t this policy conflict with Item #5? *Joe indicated that anything built needs to meet all criteria.*
- Asked staff at the last Task Force meeting to create different phasing scenarios. *Laurel explained that the team is preparing the phasing scenarios and would present them to the Task Force in August. The team would compare and contrast the Task Force’s comments with the memorandum, and existing General Plan triggers and zoning. Laurel explained the map depicting development entitlements and the current urban service area, indicating that 80 percent of the area within the urban service area has*

*existing entitlements. She stated that phasing could occur under the existing General Plan and zoning, but hopes that there would be some rezoning to reflect the Plan's vision.*

- Need to specify which core elements are included in each phasing scenario. Recommended having a phasing scenario without core elements in order to examine costs and see what densities would work without those core elements.
- Need to have a phasing scenario that compares the 2:1 and 0.9 jobs/housing ratios. Concerned that an increase from 0.9 to a 2:1 jobs/housing ratio is a big leap. Would like phasing scenarios that address jobs, housing, infrastructure and fiscal issues. Assumes that there would be some public financing for affordable housing and Greenbelt acquisition. *Joe explained that 0.9 and 2:1 are different ratios. The 0.9 figure represents the number of jobs versus employed residents, not jobs-to-housing. Laurel indicated that staff would make sure that the jobs/housing ratio is realistic.*
- Plan should address issues of equity so that the poor are not all located near transit and lower density residential units are not only on the edge of the community. Need to plan to phase affordable housing into the whole community, not one area.
- Need implementation mechanisms that are as ambitious as the Plan. Should be aimed at place-making infrastructure. Should not abandon high-density development and smart growth principles. Recommended abandoning "phasing of the willing;" just because property owners are willing to develop does not mean that they will be able to develop at that time. The intent is not to force property owners to develop without their consent.
- Important to remember that some developers represented on the Task Force may not necessarily build in Coyote Valley, but their input is helpful.
- Discussion is going well between the City and the Morgan Hill Unified School District, and they are heading in the right direction.
- Need to market the Plan. In order to make the Plan successful, need to understand what people want in Coyote Valley so that the burden can be shared.

Mayor Gonzales asked for comments from the public and the following were provided:

- Michele Beasley, with the Greenbelt Alliance, was concerned that the Plan was shifting away from smart growth principles by relaxing the triggers and encouraging "phasing of the willing." The Plan should have interconnected mixed-use areas. She indicated that the Task Force should not be discussing phasing at this time. Rather, the Task Force should focus on the quality of the plan, especially now that staff is working on the Environmental Impact Report (EIR) and superior project alternatives may come forward. When phasing is discussed, it should be done in such a way that costs do not burden the City. The City should ensure that developing Coyote Valley does not compromise the delivery of services to current residents. The City should adhere to the existing triggers.
- Melissa Hippard, Director of the Sierra Club Loma Prieta Chapter, indicated that she was encouraged by the discussion. She said that there is still a lot of land in other parts of San José. Melissa indicated that the 2:1 jobs/housing ratio and "phasing of the willing" would undermine the City's ability to ensure that development would unfold in manner that is consistent with the Plan's vision. She recommended rational phasing and indicated that



looking at different phasing scenarios is a good idea. She referred the Task Force members to the letter from the Sierra Club in their packet.

- Kenneth Pusateri, a property owner, indicated that his grandfather purchased the 18-acre property on east side Monterey Road in 1938. Their property was annexed into the City since the 1960s and was told at that time that they would receive urban services in the near future. The property was in the urban transition area during the 1970s and part of the Urban Reserve since the 1980s. Would like the east side of Monterey Road to be phased first since they have been waiting for urban services for a long time.
- Brian Schmidt, with the Committee for Green Foothills, indicated that the Task Force should ask staff if they would like information about why the triggers should be changed, the advantages and disadvantages of Attachment II and information regarding agricultural mitigation done in other cities. For instance, Gilroy has a 1:1 mitigation policy. He indicated that South Livermore and Davis also have agricultural mitigation mechanisms. Brian suggested looking at those policies as examples for recommendations. Brian indicated that Item #5 would allow the back loading of high-density residential units after the initial 30 percent. He explained that back loading means leaving the higher density units to be provided in the later phases of the project.
- Nishi Kant asked whether the 2:1 jobs/housing ratio has a commitment from future employers or if it is met when permits are issued. How will the ratio be maintained if demographics change or employers change their mind?
- Frank Crane, representing the Mikami family, indicated that Item #3 would burden lower density development by requiring them to contribute to Greenbelt acquisition. Item #5 also impacts lower density areas. It would be difficult for Council and staff to evaluate what 30 percent means. Item #5 is a hard concept to evaluate and should not be as complicated as it is.

## **5. Discussion of Medical Clinics**

This item was deferred to the next Task Force meeting on August 8, 2005 (now rescheduled to August 15, 2005).

## **6. Public Comments**

- Richard DeSmet indicated that he is on the steering committee for the Coyote Valley Alliance for Smart Planning, an organization that represents the Greenbelt. The organization is primarily comprised of property owners in the southwest area of the Greenbelt. This area consists of 268 parcels, only 105 of which are greater than 3.5 acres, totaling over 1,000 acres. Richard supports Item #3 and is against the previously discussed fee-based concept with entities such as the Open Space Authority or the Land Trust of Santa Clara County. The Plan should allow buyers and sellers to determine a value based on the market. The organization could help people find willing buyers.

- Jill Clay Halloran indicated that if the CVSP were a good plan, it would not be necessary to market it. She said that the Plan promotes sprawl and that infrastructure is not cheap. The Plan is inconsistent with the General Plan, smart growth principles and common sense by developing in undeveloped areas and agricultural lands. Coyote Valley is not connected to downtown like North First Street. The City should focus on existing infrastructure instead, like those on North First Street, before wasting time and land
- Consuelo Crosby, a property owner who owns 15 acres in the South Coyote Greenbelt, said that she has been attending CVSP meetings for four years. She indicated that the Plan was preliminary and that it would be awhile before it becomes a reality. She spoke with a realtor about selling her property, but was told that the value of her property was not the same as those in North and Mid-Coyote. The realtor also told her that the Greenbelt was a good location and should be developed. She asked the Task Force to concentrate on how the Plan affects Greenbelt property owners before continuing discussion on how property owners can be compensated.
- Jo Crosby, a South Coyote Greenbelt property owner, said that he has been attending CVSP meetings for four years. Jo said that he supported Richard DeSmet's approach towards Greenbelt acquisition. There is a misconception about the Greenbelt because the area is not very green. He indicated that people do not have an idea of what they want to preserve. Bankers and realtors do not know the value of Greenbelt properties or whether there is a market for the area since the Greenbelt does not have a plan. Jo said that the only thing specific about the Greenbelt is Palm Avenue.

## **7. Adjourn**

Councilmember Williams adjourned the meeting at approximately 7:02 p.m. The next Task Force meeting will take place on August 15, 2005 at the New City Hall. Room location and parking information will be announced at a later date.